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The Netherlands

Poultry and Products

Poultry - Semi Annual Report

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Report Highlights:

The Dutch poultry industry anticipates that further growth in this sector will be tempered by growing consumer concerns over animal welfare issues and the impact of poultry production on the environment.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Semi-Annual Report

The Hague [NL1], NL

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Executive Summary

Dutch poultry meat production increased by 0.3 percent in 1999. Poultry meat production is forecasted to continue to grow slightly in 2000, even though the Dutch Government announced in 1999 that it will restrict growth in the poultry sector. The Dutch poultry industry anticipates that further growth in this sector will be tempered by growing consumer concerns over animal welfare issues and the impact of poultry production on the environment. Consumer concerns about the impact of intensive agricultural production methods on animal welfare and on-going debates in the Dutch Parliament regarding the need for animal friendly production measures may also temper production in the long term.

Dutch poultry consumption increased from 21.8 kg per capita in 1998 to 21.9 kg per capita in 1999. During the dioxin crisis in June, consumption fell by 16% but fully recovered in July. Consumption is forecasted to expand slightly in 2000 because of increased consumer demand for convenience foods and lower prices compared to other meat products.

Poultry prices were historically low in 1999, due to a high supply of pork meat. The world collapse of pork prices meant that pork meat was coming onto the market at extremely low prices and taking a large portion of the normal poultry meat share. Dutch poultry prices went to an unprecedented low. According to preliminary data, Dutch exports of poultry meat decreased by about 4%. This is mainly attributable to the dioxin crisis. Exports fell sharply in July and August, but they recovered later on, preventing a total collapse of the market. Exports to third countries fell by 15% while intra EU exports, which are relatively more important, increased by 10%. In terms of volume, the Dutch exports fell from about 610,000 MT to 580,000 MT. However, if other poultry products are added to the poultry meat exports, then total poultry meat and products exports increased by about 2%. This was mainly due to increased exports of poultry products to markets which Belgium lost due to the dioxin crisis.

The Dutch Ministry of Agriculture, Nature Management and Fisheries approved a revised manure policy in September 1999 to restrict growth in the poultry sector.

Total egg production increased by 0.4% in 1999. The increase in production was mainly caused by an increase in poultry enterprises and more chickens per farm.

Poultry

Production

Dutch poultry meat production increased by 0.3% in 1999 . The Dutch poultry industry anticipates that further growth in this sector would be tempered by growing consumer concerns over animal welfare issues and the impact of poultry production on the environment.

PSD Table						
Country	Netherlands					
Commodity	Poultry, Meat, Total				(1000 MT)(MIL HEAD)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	8	8	20	14	16	42
Production	737	742	739	745	739	745
Whole, Imports	16	15	12	15	10	10
Parts, Imports	231	215	226	219	224	215
Intra EC Imports	195	195	193	199	192	192
Other Imports	0	0	0	0	0	0
TOTAL Imports	247	230	238	234	234	225
TOTAL SUPPLY	992	980	997	993	989	1,012
Whole, Exports	117	97	119	100	116	100
Parts, Exports	504	519	509	496	509	529
Intra EC Exports	410	410	409	409	410	415
Other Exports	0	0	0	0	0	0
TOTAL Exports	621	616	628	596	625	629
Human Consumption	351	350	353	355	354	355
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	351	350	353	355	354	355
TOTAL Use	972	966	981	951	979	984
Ending Stocks	20	14	16	42	10	28
TOTAL DISTRIBUTION	992	980	997	993	989	1,012
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

PSD Table						
Country	Netherlands					
Commodity	Plty, Meat, Chicken -16 wks				(1000 MT)(MIL HEAD)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	4	9	11	5	10	12
Production	658	665	660	666	662	667
Whole, Imports	7	12	6	13	8	12
Parts, Imports	89	90	87	92	86	90
Intra EC Imports	96	90	82	86	81	86
Other Imports	0	0	0	0	0	0
TOTAL Imports	96	102	93	105	94	102
TOTAL SUPPLY	758	776	764	776	766	781
Whole, Exports	102	91	105	109	104	108
Parts, Exports	390	430	388	397	392	397
Intra EC Exports	327	330	328	328	328	328
Other Exports	0	0	0	0	0	0
TOTAL Exports	492	521	493	506	496	505
Human Consumption	255	250	261	258	263	263
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	255	250	261	258	263	263
TOTAL Use	747	771	754	764	759	768
Ending Stocks	11	5	10	12	7	13
TOTAL DISTRIBUTION	758	776	764	776	766	781
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

PSD Table						
Country	Netherlands					
Commodity	Poultry, Meat, Turkey				(1000 MT)(MIL HEAD)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	5	10	10	2	12	6
Production	59	31	60	32	61	33
Whole, Imports	1	1	1	1	1	1
Parts, Imports	62	62	60	68	59	68
Intra EC Imports	60	60	58	60	58	60
Other Imports	0	0	0	0	0	0
TOTAL Imports	63	63	61	69	60	69
TOTAL SUPPLY	127	104	131	103	133	108
Whole, Exports	1	1	1	1	1	1
Parts, Exports	56	57	60	52	64	53
Intra EC Exports	38	37	37	38	40	40
Other Exports	0	0	0	0	0	0
TOTAL Exports	57	58	61	53	65	54
Human Consumption	60	44	58	44	60	45
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	60	44	58	44	60	45
TOTAL Use	117	102	119	97	125	99
Ending Stocks	10	2	12	6	8	9
TOTAL DISTRIBUTION	127	104	131	103	133	108
Calendar Yr. Imp. from U.S.	0	0	0	0	0	0

The Netherlands is one of Europe's major producers of poultry meat. According to preliminary data from the Product Board for Livestock, Meat and Eggs, Dutch poultry meat production increased by 0.3% in 1999, as compared to 1998. This increase is mainly attributable to the fact that some mixed farm operations invested in additional broiler capacity. Local demand for poultry products increased to 21.9 kilograms per person, an increase of 100 grams per person.

Preliminary data from the Product Board for Livestock denotes that about 108 million chickens were kept in the Netherlands in 1999. Poultry meat production is forecasted to continue to grow slightly until 2002 even though the Dutch Government announced early 1999 that it will restrict growth in the poultry sector. The aim of the Dutch Government is to stabilize production of both meat and eggs. Consumer concerns about the impact of intensive agricultural production methods on animal welfare and on-going debates in the Dutch Parliament regarding the need for animal friendly production measures may also temper production in the long term.

The Dutch poultry industry has expressed concern about the direction of poultry production policy in the Netherlands and is well aware that consumers tend to make purchase decisions based on their personal preferences, including prices and religious grounds. The Dutch industry realizes that the consumer is a key factor and the industry and farmers tend to seriously address the animal welfare and environmental issues raised by consumer groups and the Government. Therefore, the Dutch poultry meat sector sets the standard in the product marketing field and, with over 100 different meat products, responds quickly to the needs and wishes of consumers and market segments.

According to preliminary 1999 data, the Dutch Product Board for Meat, Livestock and Eggs, the turkey population (for meat production) reached similar levels as those of 1998. The Netherlands counts about 1,500,000 turkeys. Turkey meat still benefits from a positive image as a lean, healthy and easy-to-prepare item.

Consumption

Dutch poultry consumption increased from 21.8 kg per capita in 1998 to 21.9 kg per capita in 1999. During the dioxin crisis in June, consumption fell by 16% but recovered in July. Consumption is forecasted to expand slightly in 2000 due primarily to increased consumer demand for convenience foods and lower prices relative to other meat products.

Per capita consumption of poultry meat increased by 100 grams in 1999, as compared to the previous year. This is a 0.2% increase as compared to 1998. This expansion is mainly due to the popularity of poultry breast fillet and low prices for wings and legs since the collapse of the Russian market. Nevertheless, the Dutch poultry industry believes that this is a relative low growth rate which is partly caused by low-priced pork chops on the market. Growth of the hog sector is anticipated in 1999 and 2000, which will increase competition with chicken meat consumption. It is anticipated that this trend will continue in 2000. Chicken and turkey breast meat account for roughly half of all poultry products consumed in the Netherlands. Consumers prefer breast meat that is already de-boned, pre-cleaned and pre-cut because it takes less time to prepare. The consumption of turkey meat remained unchanged at about 2.7 kg per capita.

Poultry meat consumption is forecasted to increase slightly in 2000 and beyond, due partly to an increasing demand for convenience foods such as prepackaged meat and precooked foods. This growing demand for convenience, coupled with the Dutch consumer's perception of poultry as lean, healthy, competitively priced and easy to prepare, implies a steady growth in consumption over the next few years. However, the pace of the growth will depend on the price competitiveness of chicken meat products with other meats such as pork and beef.

Prices

Poultry prices were historically low in 1999. Dutch pigs put pressure on poultry prices.

The world collapse of pork prices meant that pork meat was entering the market at extremely competitive prices and taking a large portion of the poultry meat market share. The Dutch poultry prices went to an unprecedented low. In July 1999, the live weight price per kilo was Dfl. 1.31, while the average for 1998 was Dfl 1.57.

Trade

Dutch poultry meat exports decreased in 1999.

According to preliminary data, Dutch exports of poultry meat decreased by about 4%. This is mainly attributable to the dioxin crisis. Exports fell sharply in July and August, but they recovered later on, preventing a total collapse of the market. Exports to third countries fell by 15% while intra EU exports, which are relatively more important, increased by 10%. In terms of volume, the Dutch exports fell from about 610,000 MT to 580,000 MT. However, if other poultry products are added to the poultry meat exports then total poultry meat and products exports increased by about 2%. This was mainly due to increased exports of poultry products to markets which the Belgian lost due to the dioxin crisis.

Exports to Russia remained similar to 1998 but the Russian market only accounts for about 10% of Dutch poultry exports. To compensate for losses on the Russian market, Dutch traders increased their exports to newly emerging markets such as Bosnia and African nations. The major export destinations for Dutch poultry exports continue to be the neighboring countries of Germany, United Kingdom, Belgium, Luxembourg and France.

Dutch exports are expected to increase slightly in 2000-2001 due to the successfulness of Dutch traders discovering new markets. However, the dioxin crisis cost the Dutch sector about US \$ 35 million in lower exports of poultry meat, eggs and egg products. Nevertheless, Dutch traders will aggressively continue to search for alternative markets, primarily in Eastern European countries such as Estonia and Poland, especially for their products such as wings and legs.

Trade Matrices

Import Trade Matrix			
Country	The Netherlands		
Commodity	Poultry, Meat, Total		Forecast
Time period	CY	Units:	Metric Tons
Imports for:	1998		1999
U.S.		U.S.	
Others		Others	
E.U.	109,154	E.U.	120,000
- Germany	39,561	- Germany	42,000
- U.K.	20,575	- U.K.	18,000
- Belgium/Lux	28,280	- Belgium/Lux	7,000
- France	13,205	- France	17,000
- Italy	1,695	- Italy	5,000
Thailand	9,717	Thailand	12,000
Brazil	6,726	Brazil	8,000
Total for Others	125,597		140,000
Others not Listed	1,670		2,000
Grand Total	127,267		142,000

Export Trade Matrix			
Country	The Netherlands		
Commodity	Poultry, Meat, Total		Forecast
Time period	CY	Units:	Metric Tons
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
E.U.	381,542	E.U.	375,000
- Germany	241,901	- Germany	220,000
- U.K.	67,677	- U.K.	75,000
- Belgium/Lux	37,176	- Belgium/Lux	41,000
Russia	52,065	Russia	50,000
Hong Kong	21,206	Hong Kong	20,000
Ukraine	20,527	Ukraine	10,000
China	16,295	China	10,000
Bosnia-Herz	13,252	Bosnia-Herz	12,000
Zaire	11,928	Zaire	6,500
Total for Others	516,815		483,500
Others not Listed	90,031		96,500
Grand Total	606,846		580,000

Import Trade Matrix			
Country	The Netherlands		
Commodity	Plty, Meat, Chicken -16 wks		Forecast
Time period	CY	Units:	Metric Tons
Imports for:	1998		1999
U.S.		U.S.	
Others		Others	
E.U.	84,751	E.U.	86,000
- Germany	31,816	- Germany	31,000
- U.K.	16,155	- U.K.	11,000
- Belgium/Lux	26,269	- Belgium/Lux	30,000
- France	4,234	- France	5,000
Thailand	9,717	Thailand	10,000
Brazil	6,726	Brazil	6,500
Hungary	733	Hungary	1,000
Total for Others	101,927		103,500
Others not Listed	806		2,500
Grand Total	102,733		106,000

Export Trade Matrix			
Country	The Netherlands		
Commodity	Plty, Meat, Chicken -16 wks		Forecast
Time period	CY	Units:	Metric Tons
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
E.U.	329,771	E.U.	330,000
- Germany	210,131	- Germany	200,000
- U.K.	60,863	- U.K.	75,000
- Belgium/Lux	27,179	- Belgium/Lux	30,000
Russia	45,498	Russia	40,000
Ukraine	19,699	Ukraine	12,000
Hong Kong	20,796	Hong Kong	20,000
China	16,019	China	12,500
Latvia	13,176	Latvia	5,000
Poland	10,040	Poland	2,500
Total for Others	454,999		422,000
Others not Listed	81,841		78,000
Grand Total	536,840		500,000

Import Trade Matrix			
Country	The Netherlands		
Commodity	Poultry, Meat, Turkey		Forecast
Time period	CY	Units:	Metric Tons
Imports for:	1998		1999
U.S.		U.S.	
Others		Others	
E.U.	20,277	E.U.	21,000
- France	7,701	- France	8,000
- Germany	6,204	- Germany	6,000
- U.K.	4,340	- U.K.	4,000
- Italy	643	- Italy	650
- Belgium/Lux	792	- Belgium/Lux	790
Israel	19	Israel	20
Total for Others	20,296		21,020
Others not Listed	11		10
Grand Total	20,307		21,030

Export Trade Matrix			
Country	The Netherlands		
Commodity	Poultry, Meat, Turkey		Forecast
Time period	CY	Units:	Metric Tons
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
E.U.	33,698	E.U.	33,000
- Germany	23,548	- Germany	23,000
- Belgium/Lux	9,331	- Belgium/Lux	10,000
Russia	6,513	Russia	6,500
Zaire	1,888	Zaire	2,000
Poland	990	Poland	900
Estonia	558	Estonia	500
Eq. Guinee	1,059	Eq. Guinee	1,000
Ukraine	827	Ukraine	800
Kongo	940	Kongo	900
Total for Others	46,473		45,600
Others not Listed	4,876		4,400
Grand Total	51,349		50,000

Policy

In September 1999, the Dutch Ministry of Agriculture, Nature Management and Fisheries approved a revised manure policy that will restrict growth in the poultry and livestock sector.

The Dutch Ministry of Agriculture, Nature Management and Fisheries approved a revised manure policy in September 1999 that generally requires manure contracts between livestock producers and arable farmers. Only those farmers who can prove that they have such contracts will be allowed to keep their animals.

The poultry sector anticipates a new law in 2000 that will specify the total number of chickens or turkeys per square meter that an individual farmer can keep. This law would then be in accordance with EU legislation and general manure legislation as discussed above.

The Dutch Government decisions on the poultry sector mostly relate to environmental, health and animal welfare concerns. Specifically:

1. **The excessive level of poultry manure which has caused severe environmental problems.**

Environmental concerns result from the one million metric tons of manure produced every year by Dutch chickens. Although surplus manure is currently being exported to Germany, France, and Belgium, and alternatives for disposal are being investigated (such as burning the manure in large industrial stoves to generate electricity), Dutch politicians believe action needs to be taken now in order to contain growth and prevent further environmental degradation. The Dutch poultry sector includes 3,500 enterprises which produce 690,000 metric tons of meat and more than 9 billion eggs. These enterprises produce 27.2 million kilograms of phosphate, of which 16 million kilograms can be disposed of while an alternative solution must be found for the remaining 11.2 million kilograms in order to meet EU environmental directives. The final decision regarding the restriction on growth in the poultry sector will depend on whether the Dutch political parties can reach a consensus.

2. **Health concerns brought about by salmonella and campylobacter.**

Salmonella contamination of eggs must be reduced to 10% and campylobacter contamination to 15% by the year 2000. All broiler operations, breeding farms and slaughterhouses are complying with the regulations, which consist chiefly of significantly sharpened hygiene rules together with intensive monitoring. Preliminary 1999 data from the Dutch Product Board for Livestock, Meat & Eggs indicates that for the broiler industry the level of infection has been reduced to 24% for Salmonella and 20% for Campylobacter.

3. **Animal welfare concerns.**

Issues that are being discussed include the amount of space available for chickens in laying batteries, the reduction in the use of antibiotics as growth promoters, and a prohibition on the cutting of wings and beaks.

The Dutch poultry industry is extremely concerned about the potential negative impact of these government policies on the Dutch poultry sector and that the new environmental and animal welfare regulations will reduce the price competitiveness of the Dutch on the world poultry and egg market. In July 1999, the EU commission decided that laying batteries will be prohibited as of 2012. In 2003, the space available per chicken will increase from 450 square centimeters to 550 square centimeters. This means that fewer chickens can be held per square meter. The Dutch industry fears that these measures will affect the trade in the future due to a weakened position of the Dutch on the world market.

According to the Ministry of Agriculture, Nature Management and Fisheries and Health, about 25 percent of the Dutch chicken population was contaminated with either campylobacter or salmonella in 1998. In order to minimize contamination levels, the Dutch Product Board for Livestock, Meat and Eggs implemented a voluntary program called the Integral Quality Control System (IKB) in 1997. The objective of the program is to reduce salmonella contamination to 10 percent and campylobacter contamination to 15 percent by the year 2000. This voluntary program, which nearly all broiler operations, breeding farms and slaughter houses are complying with, consists of more restrictive hygiene regulations coupled with intensive monitoring.

Eggs

Production

PSD Table						
Country	Netherlands					
Commodity	Poultry, Eggs				(MIL HEAD)(MIL PCS)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Layers	0	31	0	30	0	29
Beginning Stocks	0	0	0	0	0	0
Production	10,700	10,600	10,730	10,650	10,875	10,600
Hatch Eggs, Imports	54	62	55	60	55	55
Shell Eggs, Imports	750	850	840	840	850	840
Other Imports	354	374	350	350	360	350
Intra EC Imports	800	1,150	840	1,140	830	1,150
TOTAL Imports	1,158	1,286	1,245	1,250	1,265	1,245
TOTAL SUPPLY	11,858	11,886	11,975	11,900	12,140	11,845
Hatch Eggs, Exports	220	205	225	200	230	200
Shell Eggs, Exports	5,653	5,825	5,800	5,810	5,850	5,815
Other Exports	2,500	2,231	2,400	2,210	2,500	2,210
Intra EC Exports	6,810	6,750	6,860	6,720	6,900	6,700
TOTAL Exports	8,373	8,261	8,425	8,220	8,580	8,225
Hatch Eggs, Consumption	595	585	600	640	600	640
Shell Eggs, Human	2,850	2,980	2,910	3,000	2,920	2,920
Shell Eggs, OT, Use/Loss	40	60	40	40	40	60
Other Dom. Consumption	0	0	0	0	0	0
Total Dom. Consumption	3,485	3,625	3,550	3,680	3,560	3,620
TOTAL Use	11,858	11,886	11,975	11,900	12,140	11,845
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	11,858	11,886	11,975	11,900	12,140	11,845
Calendar Yr. Imp. from U.S.	2	2	3	3	3	3

Total egg production increased by 0.4% in 1999. The increase in production was mainly caused by an increase in poultry enterprises and an increase in the average numbers of chickens per farm. The dioxin scandal in Belgium in 1999 apparently did not have a negative effect on the egg production in the Netherlands. Production of eggs in 2000 will reach similar or lower levels compared to those in 1999 because the Dutch environmental legislation will have a stabilizing effect on production.

Prices

Prices fell in 1999, due primarily to high supplies in the Netherlands and other EU countries. It was also more difficult to export eggs to the world market, which lowered prices as well. In comparison to 1998, the prices fell by an average of 17% in 1999. Prices for feed decreased further because of abundant supply of certain imported feed ingredients (especially feed grains).

Consumption

In 1999, the Dutch consumed on average 180 eggs: two more than in 1998. Of the 180 eggs, 45 eggs were consumed in the form of egg products such as those processed in cakes, ice cream and sweets. The remaining 135 eggs were consumed as shell eggs. Of these 135 eggs, 26 eggs were consumed in restaurants, cafeterias, and other outlets.

Trade

Total Dutch exports of eggs and egg products in 1999 decreased by 0.5 percent. Exports decreased especially to Germany and Italy, while they increased to Belgium and Luxembourg (due to the shortage in Belgium because of the dioxin crisis). Exports to the Middle and Far East fell while exports to Japan increased by 40%. Dutch exports are expected to reach similar levels in 2000 as those in 1999.

Trade Matrices

Import Trade Matrix			
Country	The Netherlands		
Commodity	Poultry, Eggs		Forecast
Time period	CY	Units:	Metric Tons
Imports for:	1998		1999
U.S.	1,455	U.S.	1,400
Others		Others	
E.U.	798,528		799,000
- Belgium/Lux	431,850		432,000
- Germany	271,150		270,000
- U.K.	61,678		62,000
- Spain	22,814		23,000
- Finland	-		
- France	7,596		7,600
Israel	32,341		32,500
Thailand	17,137		18,000
Total for Others	848,006		849,500
Others not Listed	5,950		6,500
Grand Total	855,411		856,000

Export Trade Matrix			
Country	The Netherlands		
Commodity	Poultry, Eggs		Forecast
Time period	CY	Units:	Metric Tons
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
E.U.	4,764,608	E.U.	4,800,000
- Germany	4,054,213	- Germany	4,100,000
- Belgium/Lux	400,577	- Belgium/Lux	400,000
- U.K.	95,585	- U.K.	100,000
Hong Kong	354,735	Hong Kong	360,000
Angola	152,273	Angola	150,000
Switzerland	99,004	Switzerland	100,000
U. Arab. Emir.	150,904	U. Arab. Emir.	150,000
Oman	117,041	Oman	118,000
Liberia	36,266	Liberia	37,000
Total for Others	5,674,831		5,715,000
Others not Listed	155,436		185,000
Grand Total	5,830,267		5,900,000

REMINDER:When possible, OAA/The Hague uses data from Dutch Product Boards, which are generally perceived in the Netherlands to be more accurate and have balanced production, consumption and trade figures. However, Product Board data is usually not broken out by countries, so for the trade matrices we generally use data provided by CBS (from the Dutch government). For intra-EU trade, the methodology of the CBS relies on information provided by larger traders and does not capture the trade of smaller importers and exporters, which explains the inconsistency that sometimes occurs between the PSDs and the trade matrices. It is estimated that, on average, CBS underestimates intra-EU exports by 11 percent and imports by intra - EU 16 percent, compared to the Product Boards (although CBS estimates Dutch turkey meat exports at 20,000 MT, while the Product Board cites 60,000 MT).

Policy

The Dutch Government's intent to restrict growth in the poultry sector will also impact egg production. The Dutch Government has agreed to a proposal from the Product Board for Livestock, Meat & Eggs that will enable the industry to take the lead in reforming the sector. In July 1999, the EU commission decided that laying batteries will be prohibited as of 2012. In 2003, the space available per chicken will increase from 450 square centimeters to 550 square centimeters. This means that fewer chickens can be held per square meter. The Dutch industry fears that these measures will affect future trade and weaken the Dutch position on the world market.